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Prepetition Secured Lenders

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

DELPHI CORPORATION., et al.,
Debtors.

Chapter 11
Case No. 05-44481 (RDD)
(Jointly Administered)

**PARTIAL WITHDRAWAL OF LIMITED OBJECTION OF THE PREPETITION
AGENT TO THE DEBTORS' MOTION FOR ORDER UNDER §§ 105 AND 363
AUTHORIZING THE DEBTORS TO IMPLEMENT A
KEY EMPLOYEE COMPENSATION PROGRAM**

JPMorgan Chase Bank, N.A., in its capacity as administrative agent (in such capacity, the “Prepetition Agent”), for itself and a syndicate of approximately 250 senior secured lenders to the above-captioned debtors and debtors-in-possession, by and through its undersigned counsel, submits this Partial Withdrawal of its *Limited Objection of the Prepetition Agent to the Debtors’ Motion for Order Under §§105 and 363 Authorizing the Debtors to Implement a Key Employee Compensation Program*, dated November 22, 2005 (Docket No. 1157) (the “Objection”), and in support thereof respectfully represents as follows:

1. The Debtors filed a motion to approve a proposed “Key Employee Compensation Program” (the “KECP”) that included (i) an annual incentive plan that provides for the payment of annual bonuses if the Debtors reach their projected business plan targets over a six-month period (the “AIP”), (ii) an emergence cash bonus for select U.S. executives upon the effective date of a plan of reorganization or a sale of all or substantially all of the Debtors’ assets (the “Cash Emergence Bonus”), and (iii) an emergence equity bonus for select U.S. and non-U.S. executives upon the confirmation of a Chapter 11 plan (the “Equity Emergence Bonus”, and together with the Cash Emergence Bonus, the “Emergence Bonuses”).

2. The Prepetition Agent filed the Objection objecting to both the Emergence Bonuses and the AIP. As articulated therein, the Prepetition Agent’s primary concern with the AIP was that, as proposed, there was no opportunity for creditor constituencies, including the Prepetition Agent, to review and consider the performance targets and benchmarks in advance of such plan being implemented in order to be satisfied that any such AIP was appropriately tied to performance.

3. Given the substantial refinements that have been made to the AIP since first being proposed, primarily at the insistence of the Creditors’ Committee, and the Prepetition Agent having had the opportunity to review and consider the AIP, the Prepetition Agent is so satisfied with the AIP in its current form and substance, and thus withdraws the Objection to the extent it relates to the AIP currently before the Court.

4. The Prepetition Agent reserves all of its rights with respect to all other portions of the Key Employee Compensation Program proposed by the Debtors, including any future AIP.

Dated: New York, New York
February 9, 2006

SIMPSON THACHER & BARTLETT LLP

By: /s/ Kenneth S. Ziman
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